




TO: Mayor and Council

FROM: Bert Lumbreras, Assistant City Manager 

DATE: December 10, 2008

SUBJECT: Purchasing Items #55&56

Items 55 and 56 on the Council agenda this week are three year (with possible extensions up to 6 years) purchasing contracts for music CDs and audio books for the collections at all Austin Public Library locations for both operating and CIP funds. The contracts also include a provision for processing services for the Library that includes putting the CD's in CD strongboxes, applying barcodes to the strongbox and adding security strips to each disc.

In the proposed budget brought to Council for approval, funding for materials and books was not cut, despite the fact that Library branches closing once a week was proposed. Unfortunately, Austin Public Library has one of the most under-funded materials and book budgets in the nation. This following illustrates the Library's current trend when compared to our peer cities:

City	Materials Budget	Materials Per Capita
Austin	\$1.6 M	\$3.21
Boston	\$4.1 M	\$7.05
Cleveland	\$11.8 M	\$24.71
Denver	\$4.6 M	\$8.08
Nashville	\$2.9 M	\$5.07
San Francisco	\$6.3 M	\$7.99
Seattle	\$5.4 M	\$9.37
Vancouver	\$3.8 M	\$6.64

We felt it necessary to keep in place what modest funds we have to best serve our community. Staff will continue to explore other cost saving options but we feel, at this time, that Library materials spending not be reduced.

We have only budgeted a small amount of these total contracts for purchases this fiscal year. We bid out the contract with the knowledge that we may receive alternative sources

of funding for these types of purchases, such as grants, special revenue, or donations. The Library puts supply contracts of this nature in place to assist with the purchasing of collection items. The Library purchases thousands of music CDs and audio books every year to supplement its collection based on the approved materials budget. The contracts provide the Library the ability to place orders directly to the contracted vendors, without bidding out each individual purchase each time one needs to be made. Also, the use of these contracts allows the Library to lock in a percentage discount over the term of the contract. Bids are evaluated based on these discounts, which allows the Library to maximize its investment.

These two items are requirements contracts and the actual expenditures may vary. The contract is bid based on estimated spending from both operating and CIP funds over a period of time, typically 1-3 years (with optional extensions), given all the information we know at the time we ask for bids from prospective vendors. The not to exceed amount shown on the contract is based on our estimated spending and by no means obligates us to spend any actual funds even if the contract is approved and in place.

If the Council wishes to reject these contracts, they can do so with a majority vote. I will note that of these two contracts; one was the lowest bid of two bids received and was an 8% decrease from the last contract awarded; and the other was a sole source for a particular group of authors.

If there are any questions, let me know.

Cc: Marc A. Ott, City Manager
Brenda Branch, Director, Library
Byron Johnson, Purchasing Officer